

STATE OF WISCONSIN
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF MANAGEMENT SERVICES
BUREAU OF FISCAL SERVICES

ACCOUNTING PROCEDURE

TOPIC: Contract Administration 4.1	EFFECTIVE DATE: 1/1/93
TITLE: State-Generated CARS Adjustments-- Required Supporting Documentation	REVISION DATE: N/A
AUTHORIZED BY: Cheryl Thompson, Assistant Director	PAGE 1 OF 1

BACKGROUND

The Department of Health and Social Services enters into many contracts with municipal and non-municipal vendors in the normal course of business. As part of the reimbursement process, adjustments to reported expenses may be made by state personnel (state adjustments).

POLICY

State adjustments shall be properly documented. So that all vendors are informed of the reason(s) for the state adjustments to their reported expenses or cash payments, agencies shall be notified prior to or with the payment affected.

PROCEDURE

The organization authorizing the adjustments shall notify the agency of any state adjustments including a description of the adjustment, why it was made and how it was calculated.

Option 1: A **letter** to this effect may be sent to the agency, and a copy of this letter must be sent with the state adjustment to the BFS-CARS Unit. Do not send a copy of the letter without its being attached to the state adjustment.

Option 2: A **memo** to this effect (to be attached to the DMS-603 run) shall be sent to the BFS-CARS Unit. The Division must provide a sufficient number of copies for all vendors to whom the adjustment is applicable.

If the CARS Unit does not receive either form of documentation, the state adjustments will not be processed and will be returned to the division.

If a state adjustment is initiated by the BFS-CARS Unit, they will complete one of the two options and will send an explanation to the appropriate division(s) and vendor(s).

CONTACT PERSON

Mary Claridge
BFS-CARS Unit
(608) 267-3902